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FISCAL IMPACT STATEMENT

LS 7738

BILL NUMBER: HB 1326

NOTE PREPARED: Jan 8, 2007

BILL AMENDED:

SUBJECT: Pertussis Immunizations.

FIRST AUTHOR: Rep. Brown T

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires the dose schedule for pertussis (whooping cough) immunizations to comply with the recommendations of the federal Centers for Disease Control and Prevention (CDC).

Effective Date: July 1, 2007.

Explanation of State Expenditures: *Summary:* The impact of adding the new Tdap vaccine to the list of required immunizations for children age 12 in Indiana is believed to be approximately \$575,000 for vaccine only. The bill does not require the Tdap immunization for enrollment in the sixth grade, so ultimately the final cost will depend on how rigorously the State Department of Health (ISDH) implements the Tdap recommendation.

This bill requires the ISDH immunization requirements for pertussis to comply with the CDC's recommendations. The CDC's recommendations are made by the Advisory Committee on Immunization Practices (ACIP). ISDH rules at 410 IAC 1-1-1 currently state that the adequately immunizing doses and the child's age for administering listed vaccines, including pertussis (whooping cough), shall be those recommended in the current *Report of the Committee on Infectious Diseases* of the American Academy of Pediatrics or those currently recommended by the U.S. Public Health Service ACIP.

Background Information: In 2005, two tetanus, diphtheria, and acellular pertussis (Tdap) products were licensed for use in single doses in the United States. BOOSTRIX® is licensed only for adolescents aged 10-18 years. ADACEL® is licensed for adolescents and adults aged 11-64 years. ACIP has recommended that adolescents aged 11-18 years receive a single dose of either Tdap product instead of adult tetanus and

diphtheria toxoids (Td) for booster immunization against tetanus, diphtheria, and pertussis if they have completed the recommended childhood DTP or DTaP vaccination series and have not received Td or Tdap; age 11-12 years is the preferred age for the adolescent Tdap dose.

Local Health Departments/Federal 317 Funds: Local health departments administer immunizations to approximately 21% of the state's children. This population consists of uninsured or underinsured children who are referred to local health departments by schools and doctors. The ISDH has reported that the requirement for pertussis immunizations will have a state fiscal impact for this group. Vaccines necessary for other state-required immunizations administered by the local health departments have been purchased with federal "317 Program" funds in the past. However, federal funding for the 317 Program has been limited for several years, and the Department reports there are insufficient grant funds available to buy the necessary Tdap vaccine. The new vaccine for public use would cost the ISDH \$30.75 per dose under contracts negotiated by the CDC. If there are approximately 89,000 children in the 12-year-old age cohort, the Department would require an additional \$575,000 to provide Tdap vaccine for this population.

Medicaid: Children eligible for Medicaid are entitled to the Tdap vaccine through the federal Vaccines for Children program (VFC) by virtue of the ACIP recommendation for the VFC program. Immunizations covered under the Early and Periodic Screening, Diagnostic, and Treatment benefit (EPSDT) follow the ACIP recommended schedule. There is no cost to Medicaid for the vaccine itself. The cost of the administration of the vaccine for Medicaid-eligible children is a required cost under the EPSDT program. Adding the requirement of pertussis immunization boosters for children has no impact on Medicaid costs.

Children's Health Insurance Program: The Department of Health also purchases vaccines for children covered by Package C of Hoosier Healthwise (CHIP). These children are considered to have health insurance and therefore are not covered by the VFC entitlement. It is less costly for the ISDH to purchase the vaccines used for CHIP children than it would cost to buy the products on the open market. This mechanism also makes the provision of immunization services within the Hoosier Healthwise program appear seamless to patients and providers. CHIP children's vaccines are purchased at the lowest price available to the state, and the state pays approximately 26% of the total cost. If providers are following the ACIP schedule of recommended childhood immunizations, this bill should have no impact on the CHIP program.

Federal Vaccines For Children Program: Another segment of the population is eligible for the federally funded VFC program or is privately insured. The VFC entitlement program provides federally purchased vaccines for children from birth to age 18 who are enrolled in Medicaid, uninsured, or who are Native Americans. Children who have insurance that does not cover immunizations may receive VFC benefits at Federally Qualified Health Care Centers or Rural Health Clinics. Private providers may also enroll in the VFC Program and administer vaccines to eligible children.

State Employee Health Benefits: State employee health benefits cover immunizations. The status of the coverage for Tdap vaccine is not known at this time. State health insurance benefits could see a minor increase in costs. *[This information will be updated when the information becomes available.]*

Funding information: CHIP is jointly funded by the state and federal governments. The state share of program expenditures is approximately 26%. CHIP medical services are matched by the federal match rate (FMAP) in Indiana at approximately 74%. Administrative expenditures are generally matched at 50%. Unlike Medicaid, federal CHIP program funding is capped. Medicaid medical services are matched at the federal match rate of approximately 63%. Administrative expenditures are generally matched at 50%.

Explanation of State Revenues:

Explanation of Local Expenditures: Local health department clinics would have an additional immunization required for administration. The impact this requirement would have on the necessary local resources is unknown.

Local government and schools could see a minor increase in health insurance costs.

Explanation of Local Revenues:

State Agencies Affected: Indiana State Department of Health.

Local Agencies Affected: Local health departments and school corporations.

Information Sources: Charlene Graves, M.D., ISDH; National Immunization Program, Vaccines for Children (VFC), Website at: <http://www.cdc.gov/nip/vfc/>

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